THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRY (SHRI HUKMADEO NARAYAN YADAV): (a) No meeting of the Cotton Advisory Board was held in the month of October, 1990.

(b) and (c) During the 1990-91 cotton season quotas for export of 11.55 lakh bales of cotton have so far been released.

Effect of Single European Market on Indian Trade

503. SHRI AJIT P. K. JOGI: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have assessed the effect of single European market on India trade; and

(b) if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) and (b) Yes, Sir. Government have been monitoring the steps being taken by the E.E.C towards the creation of a Single European market. A Committee of Five Ambassadors under the Chairmanship of Ambassador of India to EEC was set up in 1988 and, its report submitted in 1989 was examined by an Inter-Ministerial Committee and necessary follow up initiated. This Committee has since been revived into a Standing Committee which will periodically report on the developing situation in Europe.

Share Capital for Karnataka State Handicrafts Development Corporation

504. SHRI B. K. HARIPRASAD: Will the Minister of TEXTILES be the Minister of COMMERCE be pleased to state:

(a) whether the Central Government have received a proposal from the Karnataka Government for releasing Rs 20.00 lakhs as share capital for the Karnataka State Handicrafts Development Corporation; and

(b) If so, what action has been taken thereon

THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRY (SHRI HUKMADEO NARAYAN YADAV): (a) Yes, Sir.

(b) Action has been initiated to process the proposal of Karnataka State Handicrafts Development Corporation alongwith proposals from the other States Corporations Appex Co-operative Societies for allocation of amount within the approved budget for the current financial year 1990-91.

Prospects of Projects Exports

505. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have considered the prospects of project exports;

(b) whether it is a fact that India having expertise in various fields can bag orders for executing projects in developed and in developing countries;

(c) if so, what steps Government propose to take to encourage project exports in the construction sector; and

(d) whether Gvernment are aware of the recommendations of FICCI to give various fiscal incentives to project exporters and to bring changes in the FERA regulations and if so, what is Government's reaction thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) Yes, Sir.

(b) and (c) The Indian firms have acquired requisite expertise in various fields for executing projects both in developed and developing countries. The Government have also an-

nounced, from time to time, several policy measures for encouraging export of projects including the construction sector. These *inter alia* include grant of 10 per cent project assistance, reimbursement of 50 per cent of cost of preparation and submission of bids income tax relief upto 50 per cent on profits and gains from projects export and concessional import duty on import into India of project-used machinaries and equipment.

(d) Yes, Sir. The Government is aware of the recommendation of the FICCI. As mentioned above in reply to part (c) of the Question, Government is giving some fiscal incentives to project exporters. As regards suggestion for amending the Foreign Exchange Regulation Act 1973, it is not considered necessary to amend the Act at present.

Expert of DUAL Purpose Chemicals

506. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have decided to put into operation a system of control on the export of dual purpose chemicals which can be used for the manufacture of chemical weapons;

(b) if so, what are the details thereof, and

(c) whether a list of chemicals the export of which require prior clearance of Government has been finalised and if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) Yes, Sir.

(b) and (c) The Government have decided to allow export of Phosphorous Oxqcloride Phoshorous Trichloride and Thionyl Cholride under OGL No. 3 subject to production of No Objection Certificate from Ministry of Petroleum and Chemicals (Department of Chemicals and Petrochemicals) New Delhi.

Setting up of a Project Its Manufacture of Pig Iron

507. SHRI S. MADHAVAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government are examining the feasibility of setting of pig project for the manufacture of pig iron by using lignite char in a mini furnace;

(b) if so, what are the details of such a project;

(c) whether there is any proposal to instal a plant to produce lignite char and if so, what are the details thereof; and

(d) what steps are being taken to meet the demand for pig iron?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): (a) to (c) A suggestion has been made by Confederation of Engineering Industry (W.R.) for the setting up of pig iron units using lignite char in a min-furnace. As the technology for this route has not yet been established, studies regarding its viability would be necessary.

(d) The manufacture of pig iron have been delicensed and the secondary sector is being encouraged to set up such units. They are being provided assistance in various areas to facilitate early implementation of the project.

Potential of Indian Projects in Power Generation in South East Asian Countries

508. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have received any report from the Confederation of Engineering Industry about